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**ATTRACTIVENESS OF EUROPEAN MASTERS UNDER BOLOGNA  
CONSTRAINTS: THE SOUTH AMERICAN CASE**

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## **Abstract**

This paper studies strategies to attract students from outside Europe to European pre-experience masters. We characterize the value added by such masters through interviews with key players at the universities and multinational recruiting corporations. We considered a strategy for segmenting international students in the US and extended it to the European market. We have analyzed data from international applications to Nova SBE as a proxy for applications in European institutions. Based on that analysis we conclude with recommendations to attract suitable candidates from outside Europe. In particular we also provided three different solutions to attract students from the southern hemisphere: we conclude that European institutions should (a) increase the spring semester intake, (b) provide bridging courses for some students, or (c) could place some accepted candidates in internships before starting classes.

Key words: European Attractiveness, Higher education, International Students Segmentation, Recruitment Strategy

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## **Introduction**

As Knight (1996) noticed, an important way that countries have to respond to the impact of globalization is through the internationalization of higher education. Universities are following the tendency of corporations to go to international markets in order to grow and become more competitive.

Having reached high numbers of international students, European universities realized that most of them come from other European countries due to the mobility favored by the Bologna Process. Even though it is important to welcome other European students, it is time to focus on attracting candidates from other markets outside Europe. Attracting students to European universities revealed to be more challenging than one might have thought for three reasons.

First, the U.S. educational market has a tremendous branding and quality advantage, attracting the best students interested in investing in an international education. The best Universities, and also the most expensive, are in the U.S.

Second, European universities have a unique offer of pre-experience Masters to complement 3-year undergraduate programs, a product generated by the Bologna process designed to standardize degrees across Europe, facilitating mobility between geographies and different backgrounds. The rest of the world follows the four-year undergraduate U.S. model that places students directly in the job market. Only after some years of professional experience do these individuals think of going for a professional Masters, such as an MBA.

Third, European academic calendars are not compatible with the southern hemisphere, where classes typically finish in December. This is particularly important for a Portuguese School like Nova SBE (whose data we analyze) and whose benchmark

is Iberian, *i.e.* main competitors are Schools in Spain with a privileged external market in Latin America – and half of Latin America is in the southern hemisphere. The problem stems from the fact that students who graduate in December would have to wait until September to enter a pre-experience European Masters. Given the problem above, these four-year graduates are more likely to get immediately an internship than to wait.

There has been some research on strategies to attract international students conducted by the Hanover Research Academy for the U.S market. They identified strategies such as (a) word-of mouth through the alumni base of the universities; (b) websites and (c) international agents. Choudaha et al. (2012) go further by segmenting the applications of international students to the U.S. in order to identify paths and strategies. They found that each segment value specific recruitment strategies over others. It is therefore imperative for universities to understand the applicants' profiles in order to have effective international recruitment strategies. Regarding the European market, some researches have been made regarding the Bologna Process agreement and its outcomes but there is a lack of a similar recruitment strategy for international students to be followed by European academic institutions.

This work is organized as follows. We first discuss the value added by the three-cycle framework introduced by Bologna, in order to characterize the value proposition of European Masters to non-European students. Next we characterize the segmentation of the South American applicants in order to understand if Choudaha et al. (2012) model can be applied to European Institutions and to identify the most suited strategies to attract them. Finally, we consider the calendar mismatch problem and suggest three different possibilities to overcome it, namely (a) to expand the spring intake to all

Masters degrees; (b) to introduce bridging courses until September, or (c) to place those international students in internships as part of the curriculum, under a student Visa, after an early acceptance in the program.

### **I. The Value of the European Masters**

In order to state the value proposition of pre-experience Masters to non-European candidates, it is important to first understand the main differences and outcomes that the Bologna Process introduced in higher education.

Before the Bologna Agreement students in Europe had a three, four or even a five-year undergraduate degree, depending on the university, subject and country. The curricular structure included a sequence of core courses and a fairly large choice of electives that would allow for some specialization. Bologna introduced a three-cycle framework composed of a Bachelor degree (3-4 years full-time, 180-240 ECTS), a masters degree (1-2 years, 60-120 ECTS) and doctoral studies (3 years). The 3-year undergraduate structure is less flexible than the former 4-year courses, focusing in core subjects and basic competences, allowing for a very solid background. Under the masters degree students have a large choice of electives, allowing for breadth in terms of different areas of exposure and depth in terms of specialization. The most important outcome of this agreement is the standardization of the structure in the EU, allowing for immediate recognition of degrees and promoting the mobility between (a) different geographies (for example completing an undergraduate in Italy and going for a Masters in Belgium) or (b) different backgrounds (for example completing an undergraduate in Law and going for a Masters in Management).

### **I.1- The perspective of Universities**

The pre-experience Masters seem to have been well accepted in the European market. In order to attract more non-European students, however, it is important to characterize the positive outcomes of such degrees, especially when compared to a pre-Bologna undergraduate student program. The reason is that the pre-Bologna undergraduate programs are comparable to the degrees currently offered outside Europe.

In a broader perspective, the world crisis made young graduates more competitive and thus more open to pre-experience masters rather than only considering MBA programs, anticipating the specialization phase and becoming more competitive than traditional undergraduate students. Two signs are (1) the average age of GMAT candidates (a typical exam required for MBA programs) has decreased drastically in the last few years, and (2) some U.S. Universities (Duke, Thunderbird among others) started offering pre-experience Masters. Also, as reported in the Graduate Management News (2009), some U.S. universities are preparing employers and prospective students for that change. The arguments presented in favor of pre-experience masters are that (1) they offer possibilities of specialization in fields that may not be covered at a MBA level, and (2) their graduates are attractive to recruiters because of more solid skills when compared to undergraduates and lower salary demand when compared to MBAs.

In order to get the view of the academic institutions we interviewed two people at Nova SBE, a European Business School in Lisbon: Mr. Fernando Soares, the Head of Corporate and Alumni relations, and Prof. José Ferreira Machado, the Dean. Some critical factors came out when we asked to explain why a pre-experienced Master graduate is better prepared than a four-year undergraduate. Three factors were pointed.

First, the 3+1 scheme allows the individual to confirm his or her vocation when moving from the undergraduate to the Masters. After a 3 year undergraduate degree an individual will only pursue a Masters in a specific area if the motivation to do so is right – otherwise he or she can either go to the job market or change the area of study, since Bologna allows for that. This leads to a higher level of commitment to studies as compared to a 4<sup>th</sup>-year undergraduate student in pre-Bologna times.

Second, there is a higher level of professionalization of the Masters students who, as a consequence of a better motivation, will be more engaged and connected to the business world than they would have been at a fourth year of an undergraduate degree. This includes a deeper level of specialization but also serious training in soft skills, both factors highly valued by the business companies.

Third, students are more exposed to enriching diversity factors. As stressed before, the Bologna process facilitates mobility, generating in a natural way multicultural learning environments, leading people from different cultures, but also from different backgrounds, to interact.

### **I.2- The perspective of the employers**

In order to assess the viewpoint of recruiters, we conduct a series of interviews with some multinational corporations that were used to recruit 4-year graduates before the Bologna process and now recruit 3+1 Bologna graduates. They should be able to compare and provide a perspective regarding the value added by the Bologna Masters.

From the perspective of employers, it turns out that Masters' graduates are perceived as more mature than pre-Bologna graduates. Even though there is not a big difference in the comparative technical background, recruiters revealed that aspects contributing for a more suitable preparation to the business world are better stimulated



in the post-Bologna degrees. Graduates are now more prepared regarding (a) soft skills, (b) time management, (c) team work, (d) leadership and (e) communication. Moreover, post-Bologna graduates have easier contacts with the business world, especially those who have had the chance to do summer internships. As an example of the value added by these degrees, corporations like A.T. Kearney only recruits students with a Masters.

Now that these programs can be argued to be of importance to corporations, we focus on designing a strategy to attract applicants from outside Europe with a focus on South America.

## **II. Strategy to Recruit Students from Outside Europe**

To attract international students, universities started to use a funnel approach by attracting the highest number of applications as possible (Hanover Research Academy, 2010). However, the complexity of the recruitment process led universities to communicate directly to their target applicants, in order to reduce costs of long selection processes. This explains why knowing the right tools, means and message to communicate with potential international applicants is so important for universities.

There are some specific strategies that have been used to attract those students that we might find important to reach our target more appropriately. Strategies mostly used by U.S universities imply (a) *word of mouth*, which is an unofficial channel, (b) the international foundation programs, (c) international recruiting agents, (d) presence in international fairs, (e) financial incentives, and (f) websites.

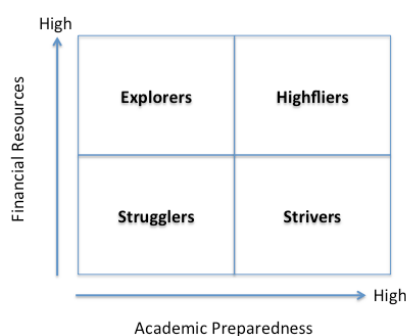
Although looking at strategies conducted by U.S universities might be important due to the number of applicants wanting to study there, it is important to firstly conduct

a segmentation of the international students. Universities need to understand which strategies those students value the most in order to be more effective.

## II.1 - Segmentation and Profile of International Students

Such segmentation was actually proposed by Choudaha et al. (2012), who established a categorization according to students' knowledge and financial resources while searching for a university in the U.S. They believed that applicants with different profiles would value different kinds of information, using different channels, with obvious implications for international recruitment strategy and communication plan.

Table 1: International Students classification



Source: Choudaha Rahul, Kata Orosz, Chang Li 2012. *Not All International Students Are the Same: Understanding Segments, Mapping Behavior*. WES Research & Advisory Services.

As shown in table 1, the research selected four profiles of applicants according to their financial resources and academic preparedness. Academic preparedness is here the ratio of the candidate's English proficiency to what the Universities require.

The research concluded that although the level of expertise of the *Strivers* (high academic preparedness and low financial resources) is very good, they may only enroll to the programs if they receive financial aid. Both *Explorers* and *Strugglers* may require training from the university since their level of preparedness is not sufficient to succeed. Clearly, *Highfliers* is the group of applicants most highly desired by recruiters since they do not need financial assistance and show high levels of preparedness.

Regarding the South Americans referred before, the survey showed that they are fairly distributed with 26% classified as Strugglers and 26% as Highfliers.

As pointed out in appendix 1, the most valued source of information is the institutional website which should therefore have an appropriate approach to the needs of international students. The second most valued source of information is the unofficial channel through family and friends. We will discuss later how a university can leverage this channel as an effective source of information, in order to increase international applications.

Although this study may be very complete and relevant in the U.S market, it may be very different at a European level, and, that is why we will now conduct a similar study to validate this approach in a European institution, Nova School of Business and Economics.

## II.2- Validating the Segmentation model

In order to validate the model we gathered information about students' applications of the fall intake 2013 in Nova SBE.

Table 2: Segmentation of International students applications – Nova SBE Case

	Strugglers	Explorers	Strivers	Highfliers
Africa	11,11	66,67	22,22	0,00
Asia and Oceania	36,59	21,95	26,83	14,63
Europe	12,00	15,64	35,27	37,09
South America	33,33	13,33	40,00	13,33
North America	36,36	9,09	27,27	36,36
Middle East	10	30	40	20

Note: all values are referred as a percentage. 360 students were classified in this model: 9 from Africa, 35 from Asia, 281 from Europe, 15 from South America, 12 from North America and 10 from the Middle East.

If we restrict the applicants to *Highfliers* and *Strivers*, the results show that both North Americans are more in the first group, European are fairly distributed, whereas

Asians are more likely to be in the second group and the large majority of South Americans are *Strivers*.

Table 3: Main sources of information of the NOVA SBE applicants

	Africa	Asia and Oceania	Europe	South America	North America	Middle East
Friends and family advice	22	10	37	20	50	10
Internet	44	29	21	33	8	50
Home University	0	5	8	7	0	0
Financial times Rankings	11	24	17	33	17	40
Nova SBE website	0	27	12	7	25	0
Magazines	11	2	1	0	0	0
Students Fairs	11	0	1	0	0	0
Social Networks	0	2	2	0	0	0

From Table 3, the main sources of advice that international students prefer are the Internet and Nova SBE website, the financial times rankings but also friends and family advice. The previous characterization conducted in U.S seems to be confirmed by this example of a European institution. Notice that the Latin Americans, a group in which we are particularly interested, are fairly standard except perhaps for a particular weight to the FT rankings.

We will now suggest an effective international recruitment strategy for students.

### II. 3 – Proposed Strategy to recruit Students

Since European institutions can now understand their target profile and which sources of information these people value the most, we can start to define our international recruitment strategy for international applicants. Clearly the target for European institutions should be the less wealthy *Highfliers* (who may not afford U.S. tuition fees) and higher income *Strivers* (who may not need financial aid in Europe).

#### II.3.1- Website

Online marketing is one of the most cost-effective marketing activities that academic institutions can use as a tool to reach potential international students. In fact, other than the low costs it is also important to understand that one could be directly targeting to the

desired applicants since it is the source of information used by the top one-sixth most affluent segment of the population (Hanover Research Academy, 2010). The website should be customized to respond to an international audience since it is recognized as the most powerful tool for student segmentation by universities (Choudaha et al, 2012). Although it is an important tool, academic institutions should not only rely on the online marketing activities in order to have an effective recruiting strategy.

Regarding the target population for European institutions, it is important to understand what kind of information they value the most while applying to foreign universities.

In Appendix 2 one can see that South American applicants, for example, value mostly information about tuition costs and application requirements rather than student services and faculty research. It is therefore important to understand if there is a lack of information in the institutional websites that might constitute a barrier for the desired students to apply. As a case study, we will analyze Nova SBE to identify if there is a lack of the information needed by the prospective international students.

Nova SBE's website, allows international students to find the most relevant information about the School and its programs (see appendix 3). One very important information that Nova needs to add in the website is the student visa processes that need to be made before coming to Portugal. Each country will have different processes but general information may be included in order to facilitate the enrollment steps for those students.

Nevertheless, the most effective way to understand if there is a need to include more information is to conduct a survey to international students in order to know from their own experience if there is a need to include relevant information that could

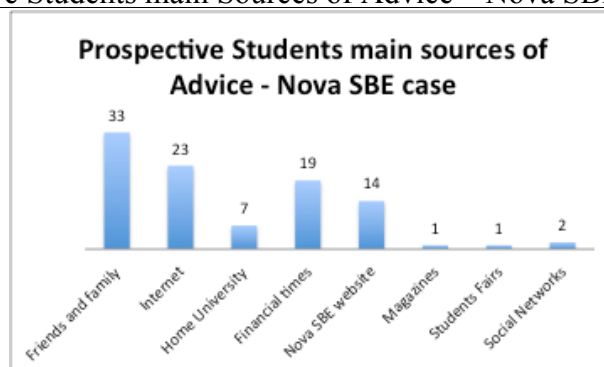
leverage the number of international applicants. The feedback collected showed that almost 43% of international students classified the university's website as either fair or poor. Students mostly refer the lack of information regarding the courses, the visa issues, exchange opportunities and refer that there is a lack of simplicity. It is important for the academic institutions to understand that students rely mostly on the Internet and universities' websites as main source of advice. The websites should therefore provide all the relevant information required by the international applicants so that it would not represent a barrier.

To conclude, and in order for Schools to reach more Latin American students, and other prospective students, they should (a) provide simpler information on the website, (b) make it easier and clearer for international students, (c) add general information about student visas and the common steps to obtain it, to explain if the degrees are accepted in other countries and explain how to get work permits for them to stay in Europe after graduation.

### **II.3.2- Unofficial Channels Strategy**

The use of unofficial channels has been highly valued by marketers that understood that people tend to trust more easily other people's opinions and experiences rather than commercials or other marketing activities conducted by companies (Kotler Keller, 2012). In the higher education perspective, this represents the best ways universities have to attract students and increase enrollments since, international undergraduate and master students are seen as the "best marketers since they go back and talk about our programs and promote it to their countrymen" (Hanover Research Academy, 2010).

Chart 1: Prospective Students main Sources of Advice – Nova SBE Case



In Chart 1, one can see the importance of the advice coming from unofficial channels. In fact, according to the research conducted to students' applications in the fall semester of 2013, up to 33% of the students surveyed mostly trusted the opinion and advices coming from friends and family, constituting the students' strongest source of advice.

It is therefore important for the universities to use their unofficial channel to attract the desired international students, by using their alumni base with the same approach conducted in the United States, but by proposing a different strategy which is to retain the international exchange students going to European universities during their undergraduate studies.

One of the easiest ways to use the alumni base might be to understand which ex-students are living and having their careers in the foreign countries where the desired applicants live. They should then ask for their assistance in order to become counselors of their past academic institution. This may result in providing physical appearances in university fairs to gain the trust of future applicants more easily. This could decrease traveling costs for the European Schools by being present in those fairs with the local alumni.

According to some authors, universities need to define steps in order for this recruitment strategy to become successful since this strategy is almost like a volunteer

experience, that ex-students would participate to become ambassadors of their university. In fact, McCoy and Allen (1991) defined 10 steps that they believe as imperative to have a successful unofficial channel strategy:

- 1- Assess institutional needs
- 2- Set Goals for volunteer involvement
- 3- Establish resources and Funding support
- 4- Identify and recruit volunteers
- 5- Assign activities based on a planning calendar to meet set goals
- 6- Set success parameters based on identified outcomes
- 7- Establish an information exchange mechanism with volunteers
- 8- Gather outcomes and maintain records
- 9- Evaluate the degree of success
- 10- Revamp goals and resources based on bottom line evaluation.

With the effective implementation of these steps that will enhance the loyalty and involvement of the alumni, Schools could decrease their international recruitment costs while reaching new markets and increasing international students enrollments.

To conclude, it is important to understand where the academic institutions stand regarding the alumni base in order to evaluate how they could be stimulating their unofficial channel and to understand what steps should be taken. As an example of alumni restructuring progress, Mr. Fernando Soares, the Head of Corporate and Alumni relations of Nova SBE, explained that Nova SBE started to work on its alumni base more heavily in the past year, and great efforts have been made in this field. They are establishing a contact with the alumni to make them ambassadors of Nova SBE. Moreover, their plan is to reactivate the ex-students relationship with the School for them to bring their children to study at Nova SBE. Finally, up to 400 ex-students are actually living in the South American markets. This would represent a great opportunity for the School to reach those desired prospective students.

As stated previously, the second unofficial channel strategy that universities can use to recruit international students is by establishing a relationship with the exchange



students at a bachelor level. After several interviews with the alumni, the admissions and masters' office representatives, some important facts that the literature does not include were highlighted. There is a massive amount of foreign students coming to Nova SBE and other European Universities through international exchange programs.

There is an opportunity to attract international students to the European masters while they are doing their exchange program at the undergraduate level, at the School. But how could a university attract them? They could (a) educate them regarding the masters programs and possibilities to pursue a career in Europe, (b) have appropriate meetings for them to feel involved in the academic lifestyle, (c) make sure they all have a "buddy" to help them through the process, and (d) to evaluate their level of satisfaction about the university. If their experience is positive they would more likely become ambassadors of the institution at their home countries while more likely consider coming back and studying at a master's degree level. It is important for European Schools to keep having good relationships with foreign academic institutions for the exchange programs in order to gather more international students who could potentially enter in the masters' degrees after graduation.

### **II.3.3- Other strategies used by the U.S universities**

Since the U.S represents the market where most of the South American students are choosing as a country to pursue their studies at a master level, it is important to bring some knowledge to Europe regarding their strategies to recruit students.

Firstly, some U.S universities have established International Foundation Programs, where prospective students attend to some classes with core courses to guarantee that they would become academically prepared. This kind of strategy may be important for the second problem the university needs to face – the fact that South

American students need to wait from December to September to enter into the masters' degrees. If they were willing to study until then into these programs, the barrier would be eliminated. Although this strategy may be effective to select the best prospective students, there is a very important barrier for universities since it might involve important recruitment costs that relatively small business schools may not be prepared to have.

Secondly, academic institutions can also use the international recruiting agents. It is a very controversial strategy (Hannover Research, 2010) but even so, some universities are still using them very carefully in order to facilitate the international recruitment. International agents are important because they can (a) provide financial information for the foreign interested students regarding the tuition fees they might have to pay (b) provide information about the costs of living in the selected university's country (c) be very helpful regarding the visa processes, and (d) could provide the support and steps needed to have all the official documents necessary to the enrollment processes. They can be seen as facilitators since they might provide additional information about the programs that might be lacking at the website for example.

They generally receive 10 to 15% of commissions from students' tuitions (Hannover Research, 2010). This represents an important cost for the universities and barriers to the successful use of this strategy are quite high. The reliability, the quality of the agents should be highly controlled; otherwise they could be transmitting negative perceptions about the Schools. That is why, if European Schools want to implement this strategy, they will have to establish a control system regarding the quality of the agents, as well as implementing commission systems according to the performance of the recruited students in order to avoid agents that recruit in quantity rather than in quality.

Thirdly, as education fairs are not seen as that important for the international students (see chart 1) we believe this shouldn't be the center of the strategy proposed, rather than a supplement. Fairs are an opportunity for the university recruiters to actually meet its potential applicants and to be able to provide additional information about the programs. Nevertheless, the costs implicated may be too high and the return on investment too slow. Some universities attend those fairs only to understand the market and its students' needs rather than as recruitment tool. The solution for the European institutions could be to attend to those fairs with cost-effective solutions that might be done through the unofficial channels strategy explained previously with the alumni base.

Fourthly another important tool very commonly used in the U.S is called the financial incentives. Although fees are not comparable between U.S masters and European ones, academic institutions should have the possibility to open their programs to students who are segmented as *Strivers* since they could generate academic value to the masters due to their high academic preparedness. Appendix 4 shows that at a European level, students do not rely heavily on financial aid or on external grants to finance their studies. This shows that there is a substantial difference with U.S universities that need to help students with their fee payments (see appendix 5). Nevertheless, it is important to refer that European Schools might use some approaches conducted in the U.S such as (a) tuition breaks for successful referral to other students in their home countries (b) special prices to students who pay in advance, (c) merit scholarships and (d) repackaging of price tags (Hannover Research, 2010).

### **III. Calendar Mismatch**

As explained previously, the second major problem that European Institutions need to face while attracting non-European students is the fact that some countries are placed in the southern hemisphere having different schools' calendars. Since it happens, especially in the desired applicants – the South American ones which gathers students from Argentina, Brazil, Chile, Uruguay and Peru, who represent half of the population in South America, finish their undergraduate degrees in December. They would have to wait until September to start their masters degrees representing a very important barrier that European institutions should overcome.

We will propose different strategies to overcome this situation, by using Nova SBE as a proxy of a European School under Bologna legislation. For Nova SBE to attract students right after graduation the School can (a) resize its intake of students starting in February, in the spring semester, (b) define bridging courses' programs in the spring intake in order for the students to come to Portugal right after their graduation, and (c) create an “internship semester” for students in the same situation.

Now that we have defined three different approaches will we try to understand which solutions seems to be the most cost-effective one in terms of international students' attractiveness.

#### **III.1 Increasing the Spring Semester Intake**

In order for us to successfully present a solution to increase the spring semester intake, it is important to understand what are the major issues regarding the enlargement of that intake. It is important to refer that Nova SBE already has an available spring intake but only the management degree is recommendable. The reason is simple: first semesters

are typically designed for students to have almost all core courses so that they could in the second semester specialize in their field of choice. In the management program, spring *intakers* have the possibility to do those courses during their first semester. For the masters in Finance or in Economics there are no core classes lectured in that semester making it not recommendable for students to start in February. The reason why there are no core classes in the spring semester is simple: (a) low demand of those masters and (b) full capacity regarding the teachers, graders but also rooms available to expand to another spring intake.

Because classes typically start at 9.30 p.m and finish around 6 p.m. the School could enlarge the schedule of the lectures from 8a.m to 8p.m, increasing the number of rooms available for this new students' intake. Having this in mind, we created a P&L analysis, in order to evaluate the costs affecting this decision.

Table 4: P&L Analysis – expanding the Spring Semester Nova SBE Case

P&L						
Years	0	1	2	3	4	5
<b>Sales</b>		120 000	266 667	399 167	501 667	530 000
<b>Cost of Sales</b>		491 904	491 904	491 904	491 904	491 904
- Teachers		439 040	439 040	439 040	439 040	439 040
- Graders		51 184	51 184	51 184	51 184	51 184
- Staff		1 680	1 680	1 680	1 680	1 680
<b>Gross Profit</b>		- 371 904	- 225 237	- 92 737	9 763	38 096
<b>SAG</b>	<b>20 000</b>	<b>20 000</b>	<b>20 000</b>	<b>20 000</b>	<b>20 000</b>	<b>20 000</b>
- Marketing	20 000	20 000	20 000	20 000	20 000	20 000
<b>EBIT</b>	<b>- 20 000</b>	<b>- 391 904</b>	<b>- 245 237</b>	<b>- 112 737</b>	<b>- 10 237</b>	<b>18 096</b>

In table 4 one can find the cost of investing in a spring intake for one program, either another class in Management, a class in Finance or in Economics. There are four core courses expected to be expanded in order for students to specialize in the semester to come. Nevertheless, if the number of students is expected to grow more than 60, another classes would have to be created so that they wouldn't be overloaded. The number of teachers and graders will also vary according to the amount of classes they

will need to support this resizing model. Moreover we calculated the Sales through the average fees students pay per year (6.000€) in year 1 where the rest of the fees paid by students will be conducted in year 2 (3.000€) that also vary according to the intake of students. We expect the fees to be around 9.000€ in order to guarantee a positive NPV in year 5, and to adjust the expenditures of the students. We conducted the analysis with the expectation that the number of international and non-European students would grow from year 1 to year 4, by 20 to 60 students.

Having said that, the return on investment will happen during year 5, which is not a very long investment to make, and it seems to be a very plausible idea to implement.

### **III.2 Forming Bridging Courses**

Some academic institutions offer the possibility for students to have a preparation program before the masters' degree (international foundation programs). The reason is simple: if we are talking about the most popular courses such as management or finance, there is a great amount of students that may enroll in those programs that might come from other backgrounds. Some backgrounds may lack mathematical and accounting knowledge for example. In order for those students to be able to do a masters degree, universities often provide them the possibility to have an intensive month with small preparing courses to help them. It might be a solution to provide them a full semester of "basic" courses that would enhance and facilitate the masters' degree. The main problem may be the fact that there is still a limited amount of room in campuses. This may be done at night for example, while other classes would be empty. If so, the P&L analysis will be as bellow.

Table 5: Costs of forming bridging courses – P&L Analysis Nova SBE Case

P&L						
Years	0	1	2	3	4	5
<b>Sales</b>		120000	266667	399167	501667	530000
<b>Cost of Sales</b>		111 440	111 440	111 440	111 440	111 440
Teachers		109 760	109 760	109 760	109 760	109 760
Staff		1680	1680	1680	1680	1680
<b>Gross Profit</b>		8 560	155 227	287 727	390 227	418 560
<b>SAG</b>	20000	20000	20000	20000	20000	20000
Marketing	20000	20000	20000	20000	20000	20000
<b>EBIT</b>	-10000	- 11 440	135 227	267 727	370 227	398 560

As one can see, the investment is much lower than the previous one since we would require fewer teachers and would not take into consideration the case of the graders. The limitation of this solution is the fact that not all students may need this kind of preparation courses especially if they have a bachelor degree in management, finance, economics or similar.

### III.3 Internships at partner companies

The third option is to place the South American and other students in internships at the partners companies of the European Schools. This may be very interesting for the students since they would have more experience when they finish their studies and therefore they might be able to add value to their *curriculum vitae*. For the universities it might represent an excellent opportunity to be closer to the employers and therefore to respond to the market needs and better prepare the students to the business world. The limitation of this possibility is the fact that students may come from different backgrounds (from engineering to literature) and it might be difficult to place them in internships if they do not have the required knowledge. Finally, if the number of applicants increases exponentially, it might be very challenging to find internships opportunities to all students. Since Europe is still recovering from the financial crisis, this may represent the biggest barrier for Schools to provide this solution.

As a joint solution with the bridging courses, this might be interesting and more viable. While students coming from other backgrounds rather than economics, management, finance or similar would be placed in internships at partners companies, the ones with no knowledge in the main areas of study would have the opportunity to study during one semester by doing bridging courses. This will be a smallest investment than the first solution provided in table 4.

## **Conclusion**

International students' mobility in a European context seems to be more important than ever before due to the Bologna agreements between European countries. Regarding the non-European students, it happened to be more difficult since there is not a universal legislation for higher education.

As a result, European institutions need to understand the value of their masters' degrees in order to be able to communicate it more appropriately to the desired international students. The literature revealed that masters degree students are now more prepared to the business world which is related to the employers perspective that seems to understand the value of this new students Era showing higher levels of soft skills required in a working environment. Our research provided us some results that might be biased due to the limit amount of responses of the companies.

Since European academic institutions should also understand the desired students' characteristics, they should be using Choudaha et al. (2012) model that seems to be quite accurate to European Schools' prospective international students. Nevertheless, some major differences might come from the fact that U.S masters are more similar to South American ones, and they represent a much higher investment



when compared to masters' degrees in Europe. These differences are reflected in the main sources of advice, the channels used to gather information from students looking to study in a European School. The fact is that international recruiting agents, students' fairs and magazines are not key for international students who mostly value the unofficial channels, the Financial Times rankings and the institutional websites. It is therefore very important for Universities to channel their resources in the mostly valued strategies. Once again we might stand out the fact that the results of the research conducted at Nova SBE might be robust. The model was designed with the information available from Nova SBE candidates, but the only financial data available to the research was to know either the prospective students wanted or not a merit scholarship.

Regarding the calendar's mismatch, it is important that European Institutions try to overcome this situation and attract South American students right after their graduation. If they are overloaded as Nova SBE, they might find the three main possibilities proposed very important.

Having this in mind, European masters' degrees might be more attractive in the eyes of the international students especially coming from the South American countries. This paper presented different strategies that might overcome the barriers to attract the applicants to the overall European countries under the Bologna legislation. Though, it might be important to also think about a European segmentation that could show different levels of attractiveness of each country since comparing countries that are still battling to get out of the financial crisis with stabilized economies might represent different levels of attractiveness of each European School.

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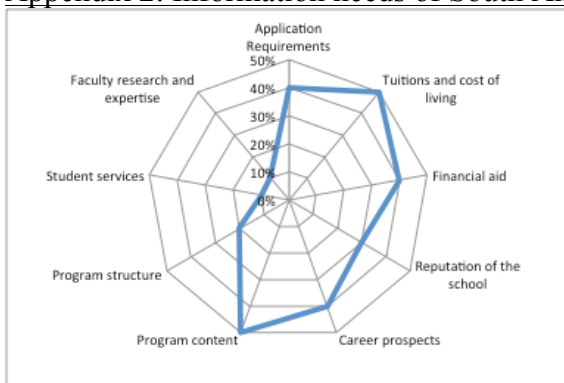
## Appendix

Appendix 1: Share of Students who used each information channel

	Strugglers	Highfliers	Explorers	Strivers
Website	90%	92%	85%	93%
Family and Friends	65%	60%	70%	68%
Social Media	34%	32%	35%	30%
Education Fair	32%	29%	38%	26%
Agents	17%	13%	24%	9%

Source: Choudaha Rahul, Kata O. and Chang Li (eds.). (2012) *Not All International Students Are the Same: Understanding Segments, Mapping Behavior*. WES Research & Advisory Services.

## Appendix 2: Information needs of South American students to US Universities



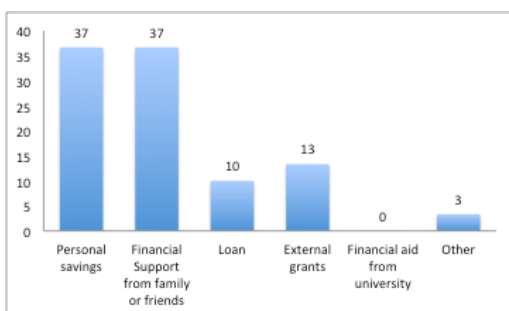
Source: Choudaha Rahul, Kata O. and Chang Li (eds.). (2012) *Not All International Students Are the Same: Understanding Segments, Mapping Behavior*. WES Research & Advisory Services.

## Appendix 3: Information needed at a Institutional Website – the Case of Nova SBE.

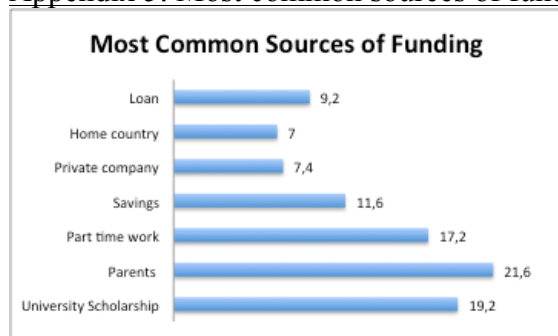
Information Needed	Check list
Description of the institution including a cost breakdown and housing information	✓
Proportion of international students at the university and class profiles	✓
Quotes and profiles of current international students	✓
Course catalog with course descriptions and the number of credits hours necessary to be enrolled	✓
Contact information for international students offices and administrators	✓
International undergraduate and graduate admissions information including reporting methods, score requirements, deadlines, mailing addresses, letter of recommendation guidelines and application fee payment methods	✓
Up to dat information on student visas	✗
an FAQ and cheklist section to facilitate the application process	✓
Local information about the campus size, average local temperatues, distances, local points of interest or nearby major metropolises	✓
Downloadable application	✓

Source: Hanover Research Academy Administration Practice. 2010: “Best Practices in International Student Recruitment and Retention in Anglophone Countries”. Washington, D.C.

## Appendix 4: Tuition payments methods by international students – Nova SBE case.



## Appendix 5: Most common sources of funding



Source: Hanover Research Academy Administration Practice. 2010: “Best Practices in International Student Recruitment and Retention in Anglophone Countries”. Washington, D.C.

Note: the percentage shown is the average of a survey conducted in markets such as China, India, Germany, Nigeria and Japan by Hobsons, 2007.

## Appendix 6: model Validation of International student segmentation

Nationality	Level of English	Degree	Final GPA	Scholarship	Number of Applicants	in %
Africa	9,1	5,4	14,4	1,1	9	2,49
Asia and Oceania	8,1	8,8	15,9	0,7	35	9,67
Europe	8,4	7,5	14,1	0,6	281	77,62
South America	7,4	8,6	14,8	0,5	15	4,14
North America	9,5	7,6	15,2	1	12	3,31
Middle East	6,7	9,2	15,5	0,7	10	2,76

Notes: The information was collected at the Admissions departments of Nova SBE of the applications in the fall intake of 2013. 362 international students finished their applications and their information were collected to this model.

### Academic Preparedness:

1. The Level of English: each student was asked to define its own level of English according to the IELTS criteria being C2 the highest and A1 the lowest score. We provided points as follows: C2=10; C1=8; B2=6; B1=4; A2=2; A1=0

2. Degree: Each student provided the area of its undergraduate degree. In order to be academically prepared to conduct a masters degree in Management, Finance or in Economics, students need to have knowledge in mathematics, accounting and managements skills. We provided grades according to the relevance of the background to succeed in these masters degrees as follows: management/ economics/ finance or similar =10; marketing or similar= 8; Engineering or similar=6; International relations, communications or similar= 4; Medical studies=2; others=0

3. Final GPA: Each student provided its final GPA of the Bachelor degree showing the level of academic rigor and preparedness: Academic Preparedness= Level of English + Degree + Final GPA

### Financial Resources:

Each student had the possibility to ask for a merit scholarship at Nova SBE. Since it was the only financial information that we had available for each student applications we used this information and provided points as follows: Yes= 0; No= 2

All results were gathered into countries and continents and the calculated the average.

### **Student Segmentation: Highfliers, Strivers, Explorers and Strivers**

In order to identify four axes, we calculated the mean of the Academic Preparedness (31,1) and the mean of the Financial resources ( 0,7). Each student was therefore identified has follows:

- If he average of its Academic preparedness < 31,1 = Low academic Preparedness
- If the average of its Academic preparedness  $\geq$  31,1 = High Academic Preparedness
- If Financial resources < 0,7 = Low Financial Resources
- If Financial Resources  $\geq$  0,7 = High Financial Resources

The results of both Financial Resources and Academic Preparedness combined as follows:

Low Academic Preparedness	Low Financial Resources	Struggler
Low Academic Preparedness	High Financial Resources	Explorer
High Academic Preparedness	Low Financial Resources	Striver
High Academic Preparedness	High Financial Resources	Highflier

Then, we collect the information by country and by continent and calculated the percentage of each segment to compare to the U.S model